

# Senate Study Bill 3243

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED GOVERNOR'S BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to local government innovation, creating a local  
2 government innovation commission and fund, creating a center  
3 for governing excellence, and including an effective date.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 5791XL 81  
6 sc/cf/24

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1 1 Section 1. Section 8.64, Code 2005, is amended by striking  
1 2 the section and inserting in lieu thereof the following:  
1 3 8.64 DEFINITIONS.  
1 4 For purposes of sections 8.65 through 8.68:  
1 5 1. "Commission" means the local government innovation  
1 6 commission.  
1 7 2. "Community-wide area" means a distinct geographical  
1 8 area voluntarily formed by and comprised of counties, cities,  
1 9 or townships, or any combination thereof, all of which possess  
1 10 a degree of autonomy in a varying number of matters.  
1 11 3. "Department" means the department of management.  
1 12 Sec. 2. NEW SECTION. 8.65 LOCAL GOVERNMENT INNOVATION  
1 13 COMMISSION.  
1 14 1. A local government innovation commission is created  
1 15 consisting of thirteen voting members and four nonvoting  
1 16 members.  
1 17 a. Voting members of the commission shall be appointed for  
1 18 a term of three years as follows:  
1 19 (1) One member representing the executive branch appointed  
1 20 by the governor.  
1 21 (2) One member representing county government appointed by  
1 22 the president of the Iowa state association of counties.  
1 23 (3) One member representing city government appointed by  
1 24 the president of the Iowa league of cities.  
1 25 (4) One member representing community colleges appointed  
1 26 by the president of the Iowa association of community college  
1 27 presidents.  
1 28 (5) One member representing the councils of governments  
1 29 appointed by the president of the Iowa association of councils  
1 30 of government.  
1 31 (6) The administrator of the homeland security and  
1 32 emergency management division of the Iowa department of public  
1 33 defense.  
1 34 (7) The director of the department of economic development  
1 35 or the director's designee.  
2 1 (8) Two members representing the general public appointed  
2 2 by the governor.  
2 3 (9) Four members representing the general public, one each  
2 4 appointed by the majority leader of the senate, the minority  
2 5 leader of the senate, the speaker of the house of  
2 6 representatives, and the minority leader of the house of  
2 7 representatives.  
2 8 b. Four nonvoting members of the general assembly shall be  
2 9 appointed for a term of two years commencing at the convening  
2 10 of each general assembly, one each appointed by the majority  
2 11 leader of the senate, the minority leader of the senate, the  
2 12 speaker of the house of representatives, and the minority  
2 13 leader of the house of representatives. However, initial  
2 14 appointments of members under this paragraph shall be made on  
2 15 the effective date of this Act.  
2 16 2. a. Terms of commission members shall begin and end as  
2 17 provided by section 69.19. Any vacancy shall be filled in the

2 18 same manner as regular appointments are made for the unexpired  
2 19 portion of the regular term.

2 20 b. Members of the voting members shall be allowed their  
2 21 actual and necessary expenses incurred in the performance of  
2 22 their duties. The members of the commission representing the  
2 23 general public shall also be compensated as provided in  
2 24 section 7E.6. Per diem and expenses paid to commission  
2 25 members shall be paid from moneys appropriated to the local  
2 26 government innovation fund, except that the per diem and  
2 27 expenses of members of the general assembly shall be paid  
2 28 pursuant to section 2.12.

2 29 c. The commission shall meet in May of each year for the  
2 30 purpose of electing one of its voting members as chairperson.  
2 31 The commission shall meet at the call of the chairperson or  
2 32 when a majority of the voting members of the commission files  
2 33 a written request with the chairperson for a meeting. Written  
2 34 notice of the time and place of each meeting shall be given to  
2 35 each member of the commission.

3 1 d. A majority of the voting members of the commission  
3 2 constitute a quorum. Any action taken by the commission must  
3 3 be adopted by the affirmative vote of a majority of its voting  
3 4 membership.

3 5 e. The commission is located for administrative purposes  
3 6 within the department. The department shall provide office  
3 7 space, staff assistance, administrative support, and necessary  
3 8 supplies and equipment to the commission.

3 9 Sec. 3. NEW SECTION. 8.66 DUTIES OF COMMISSION.

3 10 The commission shall do all of the following:

3 11 1. Promote, encourage, and advance innovation and  
3 12 creativity in local governance.

3 13 2. Develop an application and review process for local  
3 14 governance plans submitted to the commission by a community=  
3 15 wide area. Results, strategies, and desired outcomes  
3 16 identified by the commission in developing its application and  
3 17 review process shall include but not be limited to the  
3 18 following:

3 19 a. Cost savings to citizens, in particular lowering of  
3 20 local government property taxes.

3 21 b. Creation of, or inducement to create, high-wage, stable  
3 22 employment opportunities for a local government's citizens and  
3 23 more effective leveraging of resources to improve competitive  
3 24 advantage.

3 25 c. Elimination of duplication of government  
3 26 administration.

3 27 d. More efficient delivery of services by government,  
3 28 including eliminating duplication of service delivery by more  
3 29 than one unit of government in the same area.

3 30 e. Creation of a state-local partnership in one or more  
3 31 areas of service delivery and governance that would increase  
3 32 quality and efficiency on the local level.

3 33 3. Design an application form to be completed by a  
3 34 community-wide area seeking review of a local governance and  
3 35 revenue model. The application form shall employ a return on  
4 1 investment concept and which requires the community-wide area  
4 2 to demonstrate how the local governance and revenue model will  
4 3 result in reduced local government or state general fund  
4 4 expenditures or how local government fund revenues will  
4 5 increase without an increase in state costs, how local  
4 6 government services will be provided more efficiently or will  
4 7 be of increased quality resulting in greater value from the  
4 8 expenditure of local government revenues, and how the model  
4 9 develops partnerships with the state to provide increased  
4 10 quality and efficiency on the local level.

4 11 4. Utilize the department of management, the department of  
4 12 revenue, or other sources of technical expertise designated by  
4 13 the commission to certify savings projected for a proposed  
4 14 local governance and revenue model.

4 15 5. On or before January 1, 2008, submit to the general  
4 16 assembly and to the office of the governor recommendations for  
4 17 legislation that would provide flexibility and freedom to  
4 18 local governments in implementing governance and revenue  
4 19 models.

4 20 6. a. Prepare a request for proposal for establishment of  
4 21 an Iowa center for governing excellence as provided in section  
4 22 8.68.

4 23 b. The request for proposal shall require employment of a  
4 24 full-time director and administrative assistant at the center.

4 25 Sec. 4. NEW SECTION. 8.67 LOCAL GOVERNMENT INNOVATION  
4 26 FUND.

4 27 1. A local government innovation fund is created in the  
4 28 state treasury under the control of the department of

4 29 management for the purpose of stimulating and encouraging  
4 30 innovation in local government by providing moneys for the  
4 31 purpose of providing grants to assist in the implementation of  
4 32 local governance and revenue models.

4 33 2. Officials of a community-wide area who have submitted a  
4 34 local governance and revenue model to the commission for  
4 35 review may apply to the commission for a grant from the local  
5 1 government innovation fund to implement all or a portion of  
5 2 such governance and revenue model. Officials seeking a grant  
5 3 from the fund shall complete an application form designed by  
5 4 the commission which employs a return on investment concept.  
5 5 Minimum requirements for local government grant requests shall  
5 6 be determined by the commission and adopted by rule by the  
5 7 department of management.

5 8 3. Notwithstanding section 12C.7, subsection 2, interest  
5 9 or earnings on moneys deposited in the local government  
5 10 innovation fund shall be credited to the local government  
5 11 innovation fund. Notwithstanding section 8.33, moneys  
5 12 appropriated to and moneys remaining in the local government  
5 13 innovation fund at the end of a fiscal year shall not revert  
5 14 to the general fund of the state.

5 15 Sec. 5. NEW SECTION. 8.68 IOWA CENTER FOR GOVERNING  
5 16 EXCELLENCE.

5 17 1. The commission shall establish an Iowa center for  
5 18 governing excellence. The purpose of the Iowa center for  
5 19 governing excellence is to do all of the following:

5 20 a. Enhance the accountability, effectiveness, and  
5 21 efficiency of Iowa's local governments and state agencies by  
5 22 providing objective and nonpartisan research and training  
5 23 support for policymakers and government officials.

5 24 b. Integrate the research capacities of the regents  
5 25 universities and of organizations representing local  
5 26 governments to support management and policy research.

5 27 c. Facilitate dialogues among Iowa's state agencies and  
5 28 local governments, regents universities, organizations  
5 29 representing local governments, and citizens on government  
5 30 policy design, implementation, and evaluation.

5 31 2. After its creation, the center may solicit, accept, and  
5 32 administer moneys contributed to the center by any source, and  
5 33 may enter into contracts with public or private agencies in  
5 34 order to carry out its purposes.

5 35 3. The center shall submit an annual report of the  
6 1 activities of the center to the governor and to the general  
6 2 assembly as provided in section 7A.11A by January 15 of each  
6 3 year.

6 4 4. a. A governing board is created to oversee and direct  
6 5 the activities of the Iowa center for governing excellence.

6 6 b. The governing board shall be composed of the following  
6 7 members:

6 8 (1) A representative of state government appointed by the  
6 9 governor.

6 10 (2) A representative of the Iowa league of cities  
6 11 appointed by the president of the league.

6 12 (3) A representative of the Iowa state association of  
6 13 counties appointed by the president of the association.

6 14 c. The governing board shall oversee the operations of the  
6 15 Iowa center for governing excellence and shall make decisions  
6 16 regarding research and training activities conducted by the  
6 17 center.

6 18 Sec. 6. EFFECTIVE DATE. This Act, being deemed of  
6 19 immediate importance, takes effect upon enactment.

6 20 EXPLANATION

6 21 This bill makes changes relating to local government  
6 22 innovation.

6 23 The bill creates the local government innovation commission  
6 24 which is located in the department of management for  
6 25 administrative purposes. Members of the commission represent  
6 26 the executive branch, county and city governments, community  
6 27 colleges, councils of governments, the homeland security and  
6 28 emergency management division of the Iowa department of public  
6 29 defense, the department of economic development, and the  
6 30 general public. Four members of the general assembly are  
6 31 appointed as nonvoting members of the commission. The  
6 32 commission is to develop a request for results application and  
6 33 review process to review local governance and revenue models  
6 34 submitted by community-wide areas. The bill requires the  
6 35 commission to report to the general assembly and to the  
7 1 governor's office on or before January 1, 2008, with  
7 2 recommendations for legislative changes that would provide  
7 3 flexibility and freedom to community-wide areas in  
7 4 implementing governance and revenue models. The bill defines

7 5 "community-wide area".

7 6 The bill directs the commission to prepare a request for  
7 7 proposal for establishment of an Iowa center for governing  
7 8 excellence. The bill provides that the purpose of the center  
7 9 for governing excellence is to provide objective and  
7 10 nonpartisan research and training for policymakers and  
7 11 government officials; to integrate the research capacities of  
7 12 the regents universities and of local government  
7 13 organizations; and to facilitate dialogues among Iowa's state  
7 14 agencies, local governments, regents universities, and  
7 15 citizens on government policy design, implementation, and  
7 16 evaluation. The bill provides that the activities of the Iowa  
7 17 center for governing excellence shall be directed and  
7 18 supervised by a governing board comprised of a representative  
7 19 of state government and of representatives of the Iowa league  
7 20 of cities and the Iowa state association of counties.

7 21 The bill also creates a local government innovation fund  
7 22 for the purpose of providing grants to community-wide areas to  
7 23 assist in the implementation of local governance and revenue  
7 24 models that have been reviewed by the commission.

7 25 LSB 5791XL 81

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